



Technical Trade Report

Updates on Key Trade Policy Issues Affecting APHIS

April 2000

CONTENTS

- **Letter from the Director**
- **International Protocol on Biosafety: What It Means for Agriculture**
- **APHIS Technical Assistance to Foreign Countries**
- **China's WTO Accession and Its Implications for Quarantine**
- **International Plant Protection Convention: Standard Setting Agenda 2000**
- **Calendar of Upcoming Events**

Technical Trade Report is on the Trade Support Team Home Page
<<http://www.aphis.usda.gov/is.tst>>

Letter from the Director

As the first Technical Trade Report for 2000, it is fitting to highlight some of the major organizational and policy challenges facing us in the months ahead.

SPS Market Access: Needless to say SPS trade barrier issues will continue to occur. Our central data base indicates that there are currently about 107 foreign SPS measures which are impeding access for U.S. agricultural exports. This number does not include the unpredictable trade problems that arise during the course of the year due to certification problems, new pest or disease situations in the United States, pest interceptions at foreign ports of entry, or capricious actions by our foreign trade partners.

We will continue to rely on the following strategies to respond to these SPS trade barrier issues: 1) bilateral discussions where we seek to resolve issues at a technical level; 2) acceleration in the development of international standards -- a long term solution; 3) utilization of APHIS' foreign service attaches posted overseas to resolve issues at foreign ports of entry; 4) elevation, when appropriate, of certain issues to higher policy levels within USDA or U.S. government for possible intervention; and, 5) when appropriate, utilization of dispute settlement resources available through the World Trade Organization (WTO) and other multilateral fora.

Currently, our central data base shows that the Agency has approximately 81 foreign import petitions pending with

other countries. These are the same countries with whom we are, at the same time, trying to resolve foreign SPS issues which impede U.S. agricultural exports. The rate at which these foreign import petitions are reviewed and approved by APHIS reflects the Agency's commitment to making timely, science-based SPS decisions. Also, the rate and manner in which we address these import petitions influences, to a great extent, the way in which foreign regulatory officials respond and treat our requests for access for U.S. agricultural products. This so-called "backlog" of foreign import petitions continues to be a major factor affecting APHIS' ability to resolve SPS trade issues which impede U.S. agricultural exports.

New WTO Round: The collapse of the Seattle Ministerial in December 1999 did not dim the need and interest in the agricultural community to launch a new round. Continuation of the reform process in agricultural trade was agreed to by WTO members when they signed the Uruguay Round Agreements in 1994 (i.e., so-called "built-in agenda"). Topics that may emerge during the course of this next round and which may affect APHIS are: biotechnology; possible inclusion of non-trade concerns (e.g., animal welfare, socio-economic issues) as a basis for SPS regulations; and, technical assistance demands of less developed countries (LDCs). More information on U.S. negotiating proposals in the context of this nascent WTO round can be found on the USTR website (www.ustr.gov).

At this point it is still unclear how biotechnology will be addressed by WTO member countries. Some

confusion exists among countries given the recently negotiated international requirements of the Biosafety Protocol (finalized in January 2000). While a savings clause in the Biosafety Protocol indicates that members rights and obligations under the WTO are not affected, there still seems to be some confusion about the relationship between these two international treaties as it relates to the safeguarding actions a member may take against products containing genetically modified organisms (GMOs).

There is some hope that the working group established under the International Plant Protection Convention (IPPC) to explore the phytosanitary aspects of the Biosafety Protocol will help clarify the relationship between IPPC standards and the Protocol, including provisions addressing the movement of GMOs. This working group will meet in June 2000.

Risk Assessment: Risk analysis systems will continue to evolve at APHIS, particularly the transparency of the Agency's risk assessments. APHIS is taking steps to increase public awareness and involvement in the risk assessment process. A Pest Risk Analysis symposium is planned for May 2000. APHIS is also considering ways to better manage its backlog of import risk assessments. The challenge is how to make the risk assessment and rulemaking process more open to public involvement while not introducing new administrative delays that will increase the current backlog. This lengthy administrative process used to evaluate and approve imports has become the single biggest issue that affects agricultural trade relations with other

countries.

Environment: APHIS will continue to be under pressure to ensure that its safeguarding programs and activities address pest threats to the environment (i.e., wild flora as opposed to domestic crops). An Executive Order on Invasive Species was promulgated in 1999 which mandates greater coordination among Federal and State regulatory authorities to prevent the introduction and to combat established invasive species. An interagency team is currently developing an implementation plan.

This Executive Order may affect APHIS in terms of how it defines its role in protecting wild flora and ecosystems. However, an equally significant influence on how APHIS defines its role in the plant protection arena is related to the recommendations contained in the 1999 Safeguarding Review Report. This Report contained over 300 recommendations for strengthening Plant Protection and Quarantine in the United States. Various teams are currently examining the recommendations and developing plans for implementing them.

Responding to the EU Concept of Precaution: The European Commission (EC) is vigorously promoting its concept on "precaution (i.e., so-called "precautionary principle") with regard to managing risks to human health and the environment in circumstances of scientific uncertainty. Ambiguities remain with regard to both the concept and its application in practice. This EC concept has created some confusion because it suggests a distinct or separate category of risks which are not adequately addressed through risk

analysis. The U.S. position is that scientific uncertainty is taken into account in the risk analysis process. Many concerns exist on how the EU intends to use its precautionary approach both within the Community and at international levels. This EC concept, if adopted by countries, could result in diminishing the obligation to base SPS measures on scientific principles and evidence, leading to a new generation of trade barriers. This concept will certainly be debated among countries in the coming months.

Technical Assistance: A major issue facing APHIS is how it defines its role in the technical assistance area. Many LDCs have indicated that implementation of the current WTO Agreements, including the SPS Agreement, will require capacity building in their countries. In addition, LDCs have indicated that their support for a new WTO round will depend on the technical assistance offered to them. These circumstances may result in more pressure on APHIS to provide technical assistance and training in the area of risk analysis, quarantine systems development, and other regulatory functions necessary to fulfill their obligations under the SPS Agreement, IPPC, and OIE.

At present, technical assistance activities offered by APHIS have been handled on an ad hoc basis without any direction or managed in a strategic and coordinated fashion. The Trade Support Team (TST) in cooperation with Policy and Program Development (PPD) are currently conducting an inventory and analysis of the technical assistance activities carried out in the past year. An initial draft of the this analysis is included in this issue

of the Technical Trade Report. .

Clearly, this will be a year filled with a number of major policy and organizational challenges. I expect that the TST will continue to fill a vacuum in the Agency where internal coordination is always a vital need. Over the past year we saw the strengthening of TST relationships with other Agency units, including colleagues in plant safeguarding, biotechnology, and invasive species areas. These relationships must continue to be strengthened to withstand the usual internal tensions that exist due to competing budgets, separate reporting hierarchies, and, sometimes, distinct cultures. Our success in managing SPS trade issues, like other complex programs, ultimately depends on the level of coordination between the various units and offices within APHIS and the Department. Commitment of resources to a common cause requires the difficult but necessary partnership between different units and agencies.

John Greifer

Director

TST

International Protocol on Biosafety: What It Means for Agriculture

Bernice Slutsky, Foreign Agricultural Service

The Biosafety Protocol to the United Nations Convention on Biological Diversity will provide a regulatory framework for international trade in bio-engineered products referred to as living

modified organisms (LMOs). The Protocol is an environmental agreement aimed at protecting bio-diversity. It was adopted by more than 130 countries on January 29, 2000, in Montreal, Canada, but must be ratified by 50 countries before it can go into effect. This process could take 2-3 years.

The Protocol preserves countries' rights under other international agreements, including the World Trade Organization (WTO). It requires that regulatory decisions under the Protocol be based on risk assessments and sound science. Countries will not be able to use unfounded concerns about biotechnology as disguised trade barriers. Consistent with the Sanitary and Phytosanitary Agreement under the WTO, the Protocol reiterates that lack of scientific certainty does not prevent a country from taking an appropriate decision on granting entry to a product in order to avoid or minimize potential adverse effects. The Protocol does not undermine an exporting country's right to challenge, under the WTO, an unwarranted decision of an importing country not to accept a bio-engineered product.

It establishes a biosafety clearinghouse to help countries exchange scientific, technical, environmental and legal information about living modified organisms produced through the use of biotechnology. The agreement requires governments to provide the clearinghouse with information on final decisions on the domestic use of an LMO commodity within 15 days of making that decision. The clearinghouse should provide needed transparency on where products have been approved and on countries' regulatory requirements.

What the Protocol Means for Agriculture

Because the Protocol is designed primarily to protect the environment from the potential effects of introducing a living modified organism, the most immediate impact on agricultural trade will be for seeds exported for planting. Bio-engineered seeds for planting will be part of an Advance Informed Agreement procedure. This means that before a biotech seed can be shipped for the first time, the importing country must decide whether to approve it. If the seeds are approved for import, they will need documentation specifying their identity and traits. This formalizes the steps that seed and biotech companies currently go through in countries where they want to sell seed.

To a large extent, the Protocol will not alter the status quo for bulk commodities containing a biotech component. These commodities will not have to be segregated. Countries may, as many currently do, require the approval of new biotech crop varieties under their national laws and regulations. The Protocol, however, does not mandate or encourage countries to take such action nor does it mandate any transaction-by-transaction notice and consent procedure for commodities

After the Protocol enters into force, documentation for shipments of bulk commodities will have to state that the shipment "may contain" living modified organisms and that the contents of the shipment are not intended for planting. In addition, the Protocol establishes a 2-year process under which further documentation requirements will be

considered.

The scope of the Protocol does not cover food safety. Processed food products are not covered by the Protocol.

APHIS Technical Assistance to Foreign Countries

Eric Nichols and Dale Rendahl, Trade Support Team (TST) and Policy and Program Development (PPD)

Introduction

In March 1999, the WTO/SPS Committee issued a report stressing the need for enhanced technical assistance and cooperation to developing countries, in particular with regard to human resource development, national capacity building and the transfer of technology and information, especially through "hands-on" assistance.

This theme was carried to a crescendo in Seattle where developing Member countries of the WTO placed technical assistance high on their agenda for the upcoming agriculture negotiations that were to have begun in that city on November of last year. On the plant side, during an October meeting of the International Plant Protection Convention (IPPC), a Working Group on technical assistance was formed to review past experience in this area and recommend future activities in technical assistance under the auspices of the IPPC. On the animal side, the Office International of Epizootics (OIE) also encourages technical cooperation among its members. To this end, in 1995 APHIS and Iowa State University formed the Institute for International Cooperation in Animal Biologics

(IICAB).

Finally, in the area of biotechnology, APHIS has been a singular leader in providing technical assistance to developing countries as they begin to consider incorporating this new technology into their own production or develop rules for importing genetically modified commodities.

In keeping with our obligations, APHIS has embarked on a review of the types of plant and animal health technical assistance it has offered in the past, with the aim of supporting future activities in an effective manner consistent with our mission to protect U.S. Agriculture and access foreign markets.

Background: A review of the types of APHIS technical assistance delivered to foreign counterparts between FY99 through February 2000 is underway with the aim of identifying possible future technical assistance activities. This review was prompted by the WTO*, IPPC, and OIE efforts to encourage support to developing countries toward improving the effectiveness of their plant and animal health protection and quarantine services and increase the potential for them to realize the benefits of safe agricultural trade.

The IPPC Secretariat identifies the following technical assistance focus areas:

Direct Interventions

- capacity building and strengthening plant protection infrastructures
- dispute avoidance

- updating legislation
- emergency programs

Multidisciplinary and multinational collaboration through FAO and other organizations

- regional harmonization and upgrading phytosanitary systems
- plant health policy alignment and modernization

and has developed an assessment tool to match developing countries' technical assistance needs with offers from developed countries.

The OIE Collaborating Center, IICAB, provides diagnostic training and expertise in the area of animal diseases and vaccine evaluations for the Americas and sponsors several seminars and workshops tailored for foreign veterinary officials and scientists.

APHIS Technical Assistance Activities

Taking FY99 and the first quarter of 2000 as a snap shot, APHIS has delivered technical assistance and technology transfers by traveling to foreign countries, hosting foreign country authorities, and participating in multilateral symposiums and consortiums.

The most prominent types of assistance have been in the area of risk assessment trainings, biotechnology regulatory and technical trainings, biological control workshops, phytosanitary and zoosanitary consultancies, and funding for foreign officials' participation in international standard-setting meetings.

Excluded from the following figures are routine bilateral meetings, program activities specifically addressed to exclude pests from the United States and bilateral consultations held expressly in support U.S. commodity exports.

Risk Assessment Trainings: In FY99, APHIS specialists delivered pest risk assessment workshops in Guyana, Grenada, Poland and Ecuador, Fiji, Australia and France. These workshops seek to train technical-level staffs in state-of-the-art methodologies for conducting commodity and pest risk assessments in support of scientifically-based regulatory decision making. Besides these workshops, APHIS provided one specialist to the IPPC's Work Group on Pest Risk Analysis held in September in Fiji in support of furthering development of an international standard around this concept.

Biotechnology Regulatory and Technical Trainings: In FY99 and the first quarter of 2000, APHIS delivered technical presentations and participated in various symposia in Europe, Turkey, India and Poland, and hosted delegates from foreign countries on at least 21 separate occasions to provide a review of US biotech regulatory policy and practices. These figures do not include on-going participation by APHIS specialists in various international fora. In one case, for example, an APHIS makes available a specialist to serve as a permanent technical advisor and steering committee member to the international rice biotechnology group.

Biological Control Trainings: In FY99 and the first quarter of 2000, APHIS delivered biological control workshops

in Belize and Mexico aimed at controlling injurious pests in the region. These week long regional meetings serve as technology transfer opportunities to the national plant protection organizations. In addition, funding is being sought to develop a facility to generate beneficial insects to use throughout Central America in the event of future pest outbreaks.

Phytosanitary and Zoosanitary Consultancies: In FY99 and the first quarter of 2000, APHIS delivered a pest identification workshop in the Bahamas, delivered a U.S. phytosanitary policy overview in the Philippines and Russia, and dispatched a plant health specialist to Ecuador to review and present recommendations to Ecuadorian authorities to improve the national plant health infrastructure. APHIS dispatched specialists to Grenada, Costa Rica, El Salvador, Honduras, Nicaragua and Panama to assess the impact of Mediterranean fruit flies in the region. APHIS hosted delegates from foreign countries on at least 41 separate occasions to provide them with an overview of U.S. phytosanitary regulatory policy and operational practices. Such overviews were in the area of port inspection methods, passenger inspections, field surveillance and export certifications. In addition, APHIS provides a 4 week plant health systems course designed mid-level foreign plant health authorities. APHIS' PPQ Center for Professional Development has historically provided workshops for foreign officials in quarantine treatments, surveillance, monitoring and eradication techniques, and regulatory policy making.

APHIS veterinary officials traveled to

Colombia in 1999 to review the national animal health infrastructure and provide recommendations to Colombian authorities. APHIS has traveled to foreign countries to provide expertise in tuberculosis and brucellosis management. Aside from regular FMD program activities, APHIS provides additional support to countries to address their FMD management concerns. APHIS hosted delegates from foreign countries on at least 19 separate occasions to provide them with an overview of U.S. zoosanitary regulatory policy and operational practices.

Under the auspices of the OIE and on a bilateral basis, APHIS' National Veterinary Services Laboratories and Center of Veterinary Biologics, foreign authorities are provided with trainings and seminars in animal disease control. In addition, APHIS' Centers for Epidemiology and Animal Health offers risk assessment courses to foreign officials on a regular basis.

Support for International Standard-Setting Activities: With the aim of supporting broad participation in international phytosanitary standard-setting activities, APHIS is sponsoring the participation of several government specialists from Asia, Africa and South America in the March 2000 meeting on the concept of "official control" as it relates to quarantine pests. In addition, APHIS will be supporting the participation by foreign officials from developing countries in the IPPC working group on genetically modified organisms. Finally, under the auspices of the North American Plant Protection Organization (NAPPO), APHIS is supporting participation by foreign officials in the IPPC working group on

solid wood packing material.

Other Resources: APHIS maintains a cadre of technical officials around the world who work directly with foreign counterparts to provide an understanding of U.S. plant health protection practice and policies. These foreign service officers and their local staffs are instrumental in facilitating the planning for technical assistance projects in a given region or country.

----- *

Article 9 of the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures includes the following provisions on technical assistance:

1. Members agree to facilitate the provision of technical assistance to other Members, especially developing country Members, either bilaterally or through the appropriate international organizations. Such assistance may be, inter alia, in the areas of processing technologies, research and infrastructure, including in the establishment of national regulatory bodies, and may take the form of advice, credits, donations and grants, including for the purpose of seeking technical expertise, training and equipment to allow such countries to adjust to, and comply with, sanitary or phytosanitary measures necessary to achieve the appropriate level of sanitary or phytosanitary protection in their export markets.
2. Where substantial investments are required in order for an exporting developing country Member to fulfil the sanitary or phytosanitary requirements of an importing Member, the latter shall

consider providing such technical assistance as will permit the developing country Member to maintain and expand its market access opportunities for the product involved.

China's WTO Accession and Its Implications for Quarantine

Craig Fedchock, Trade Support Team

The accession of China to the World Trade Organization is a big deal. Concurrent with WTO accession activities worldwide is a looming vote in the US Congress on Permanent Normal Trade Relations (PNTR) for China. That vote and all of the activities surrounding it are also a big deal. All you need to do is read the newspapers in your hometown to see an article (or two or three) which address China and the WTO.

When you review all of the information being disseminated on the issue of China and PNTR you generally will find two points of view. One will look at the tangible beneficial economic results of China's accession while ignoring the political aspects of the governmental system. The other will look only at the political aspects while ignoring the economic perspective. The intent of this article is not to present a position either pro or con on WTO accession and PNTR, rather it is an attempt to analyze what will the result be of China's accession to the WTO on matters of quarantine irrespective of whether or not China receives PNTR from the United States.

A look back at the history of quarantine in China can perhaps give a better idea of where the country has come from and

where it is heading as it approaches WTO membership.

China first formalized a system for the inspection of imports and exports in 1929, with offices set up in Shanghai, Guangzhou, Wuhan, Qingdao, Tianjin, and Chongqing. The initial emphasis of the Chinese quarantine authority was the inspection of imports and exports of raw silk, cotton, leather, tungoil and livestock. With the founding of the Peoples Republic of China in 1949, the Chinese State Council established the State Administration of Import and Export Commodity Inspection (SACI) under the Ministry of Foreign Trade. In 1965, Animal and Plant Quarantine Agencies were set up in 20 different ports.

Since 1929, as the restructuring and renaming of the agency was taking place, the regulatory framework under which it operated was also changing. While no significant developments occurred with regard to inspection and quarantine until much later, in 1951, the Chinese government promulgated Provision Regulations on Commodity Inspection, and in 1954 issued Provision Regulations Governing the Inspection and Testing of Import and Export Commodities. There had been no official regulations governing quarantine until the establishment of the PRC prior to 1949.

During the Cultural Revolution much of the work of previous years was undone, and it was not until the Deng Xiao Peng began to establish economic reforms in China in 1978 that significant attention began to be paid to China's quarantine services. As noted above, China's quarantine agencies had been placed

under the Ministry of Foreign Trade. This was to remain the case through 1980. In addition, up until 1980, the quarantine agencies operated under a dual authority, answering both to the central government in Beijing and to the local authorities wherever they were located. In this arrangement, the local authorities were the primary authority.

In October, 1980, the Chinese State Council decided to restructure the Port Quarantine Administration by placing it under the Ministry of Agriculture. In September, 1981, the State Council established the General Institute for Animal and Plant Quarantine of the PRC, in order to establish uniformity of administration. In July 1994, the General Institute for Animal and Plant Quarantine of the PRC was renamed the Animal and Plant Quarantine Administration of the People's Republic of China, a name which was changed again only in 1998.

Prior to 1982, the only quarantine regulations issued came from either the Ministry of Foreign Trade or, after 1980, the Ministry of Agriculture. In 1982, significant activity began to take place with regard to quarantine in China. In June, the State Council promulgated the Animal and Plant Quarantine Import and Export Regulation of the PRC. In 1983, detailed rules for implementation were adopted and issued. On October 30, 1991, the National People's Congress adopted the Entry-Exit Animal and Plant Law of the PRC. This significant law prohibits the import of products from any foreign area infested by quarantine pests and diseases.

In 1996, the State Council issued detailed rules for the implementation of

the law. From 1991 to 1996 directories of animal diseases, plant diseases, pests and weeds were published, and provisions for the punishment of violators of the quarantine law were issued. Also, the Ministry of Agriculture and Customs jointly produced a circular on issues related to quarantine inspection and control for the entry and exit of animals and plants. All told, from 1991 to 1996, over 20 rules and regulations related to quarantine inspection were published. The effort continues. In 1998, China significantly reorganized the bureaucratic structure with which it manages quarantine issues. This action was part of a larger PRC effort directed by then-Vice Premier Zhu Rongji to reduce the overall number of ministries. (China Daily, March 9, 1998). Consequently, some new faces have emerged in the leadership of Chinese quarantine matters, and China has moved significant elements of the quarantine infrastructure from the Ministry of Agriculture to the Customs Service. On August 21, 1998, the State Administration of Entry-Exit Inspection and Quarantine of China, or SAIQ, was born and that entity is now located under China Customs.

Several entities came together to form SAIQ, currently led by Mr. Li Chang Jiang. Most importantly from the APHIS perspective, the former Chinese Animal and Plant Quarantine Administration (CAPQ) was folded into this organization. The head of the new Chinese Inspection and Quarantine organization (CIQ) is Mr. Xia Hongmin. A key question resulting from this reorganization was whether this restructuring would portend major changes in the way that China will handle bilateral SPS issues.

With the signing of the memorandum of understanding between China and the US in 1993 through the most recent reorganization, bilateral technical negotiations between China and the United States have been mostly conducted on a biannual basis. The most recent discussions took place in Kunming, China in November, 1999. The bilateral technical discussions are the forum in which scientific exchanges occur on those issues which involve trade and quarantine matters. For example, these talks are where China put forth its case on exporting litchi to the United States; it is where the US put forth its arguments for shipping California grapes to China. The framework, preparation and discussion in the technical talks is very much the same as it is for technical talks with most other countries with which the US conducts these types of meetings.

As a result of these technical negotiations, several agreements for the movement of agricultural commodities have been negotiated. Among these are apples, cherries and grapes from the US, and litchi and Ya pears from China. Several additional issues are currently on the agenda for technical negotiations, among them are plums and tobacco from the US and additional varieties of pears, and citrus from China. Both agencies responsible for handling SPS-related trade issues correspond regularly, and both countries have diplomatic personnel in place to facilitate discussions of technical issues. APHIS has had an attach, in Beijing since approximately 1996, and China's Washington Embassy has had a person on staff responsible for agricultural affairs for several years.

What does the above mean in light of China's possible accession to the WTO? To address this question, it is important to understand what WTO membership implies for a quarantine agency under the Agreement on the Application of Sanitary and Phytosanitary measures (the SPS Agreement). There are certain obligations under the SPS agreement to which it must adhere, including:

- The use of science-based measures (i.e., using risk assessment)
- Recognition of pest- and disease-free areas and areas of low pest or disease prevalence and allowing trade from those areas.
- Participation in the international standard setting organizations and wherever possible basing import requirements on international standards.
- recognition of equivalent treatments and quarantine practices to facilitate trade.
- Dispute settlement process which begins and relies first of all on exhausting the technical consultations step.

These obligations also apply to the United States as a signatory to the SPS Agreement. In addition, the obligation of WTO membership carries with it the need to follow existing international standards formulated by the so-called "Three Sisters" (The Codex Alimentarius Commission, the International Plant Protection Convention and Organization Internationale des Epizooties).

While it can be fairly said that China does not necessarily move with all deliberate speed on bilateral issues of quarantine, it can also be said that China does at least give the appearance of working on these issues within the framework of the WTO SPS Agreement and its obligations as noted above. In their public pronouncements Chinese quarantine officials will invoke the SPS agreement as the basis for their quarantine efforts. When you go the CIQ web site, one of the first headings on the page is for the SPS agreement and what it means. In their bilateral discussions Chinese officials have repeatedly said that they are basing their activities on the principles of the SPS Agreement even though they are not yet members of the WTO, and to a great extent they are. Nevertheless, due to the nature of the Chinese system of government, political considerations will always carry significant weight in any decision concerning Chinese market entry.

Regrettably, while the potential for the Chinese market is great, the difficulties in opening that market remain. Even as the Chinese economy grows, and more money is available to the population for spending, the pressures to support Chinese agriculture and Chinese agriculture itself will continue to grow. China is still primarily an agrarian society. In many countries, such as Japan, Chinese agricultural products compete now and will continue to compete in the future, with those of the United States. As the standard of living rises, the standard of technical ability in agriculture will also rise. In theory, Chinese agricultural practices will improve, and with that improvement the ability to feed the nation's population

with high quality products will in turn improve. While the US can expect lower tariff rates and a continued willingness to operate under the rules of the WTO, the use of science as a trade barrier will at least continue into the near term, and perhaps with an even greater ability to blur the facts with fiction.

Another possible problem will be the relationship between the central government and the regional governments and offices. While the ability of CIQ to disseminate information is good, the enforcement of rules can vary from place to place. Often the misunderstanding of what is required with a shipment can lead to delays in getting that shipment from port to importer.

So after all of the above, what is the end result with regard to quarantine and China's accession to the WTO? First, it can be anticipated that there will be a greater demand on APHIS from industry to submit requests for export to China on the basis of lower tariffs for some commodities, and because of the connection between "market opening" and WTO accession. Second, as a result, there will be frustrations built up on the part of industry because some of those requests to export to China will be delayed either for legitimate sanitary and phytosanitary reasons, or because there are political reasons for delaying or even blocking their entry into China. Third, some things will remain the same as a framework for technical discussions already exists and continues to be used for the negotiation of sanitary and phytosanitary issues.

There will be a few intangibles. What happens if the US Congress rejects

Permanent Normal Trade Relations? We can still negotiate market openings for commodities, but the tariffs won't come down for the US, and here may be lingering political aftershocks as a result of rejecting PNTR. With a US presidential election coming up, the possibility exists that the bilateral relationship could worsen, or improve, with a similar result in agriculture negotiations. In the end, however, bilateral discussions will continue between the US and China. They will continue to be held on the basis of the principles embodied in the SPS Agreement. Nevertheless, for the time being at least, China will continue to be China with regard to quarantine, relying on its best "political" judgment for making decisions in quarantine matters.

International Plant Protection Convention: Standard Setting Agenda 2000 John Greifer (Trade Support Team) and Nancy Klag (Plant Protection and Quarantine)

The World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) calls on member countries to harmonize their health regulations, to the greatest extent possible, on the basis of international standards. In the plant health area, the SPS Agreement recognizes international standards developed under the International Plant Protection Convention (IPPC).

The newly revised Convention establishes a Commission for Phytosanitary Measures (CPM) to oversee the development and adoption of

IPPC standards. This new body is currently operating as the Interim Commission on Phytosanitary Measures (ICPM) until the newly revised Convention comes into force. At the ICPM's second annual meeting in October, 1999, the U.S. delegation advanced several key U.S. phytosanitary standard objectives, including:

- 1) development of a global standard on wood packing materials;
- 2) guidelines to harmonize members' interpretation and application of the term "official control" -- a key term in how countries define and treat a quarantine pest; and,
- 3) formation of a working group to examine the phytosanitary aspects of genetically modified organisms (GMOS) and identify standards which may be needed in this area.

Standards Currently Under Development

At the October 1999 meeting, the ICPM established the following Working Groups to begin work on the following standards and reports, some of which should be ready for approval by the ICPM at its third meeting in April 2001:

WG on Notification and Noncompliance: Under the Convention, members have an obligation to notify incidents involving noncompliance of imported shipments (e.g., certification deficiencies or pest interceptions) to the member concerned. This working group, which met in December 1999, drafted a standard for such notifications among members.

WG on Pest Listing: Under the

Convention, members have an obligation to make available, upon request, a list of regulated pests to other interested members. The intent is to ensure exporting countries know, for certification and trade purposes, the pests of regulatory concern to importing members. This working group, which met in January 2000, was charged to develop a standard format for preparing and sharing such lists.

WG on Strategic Planning and Technical Assistance: This working group, which met in early March, began the process of draft strategic plan for review and comment by ICPM members. The goal is to develop a strategic plan which will help clarify the ICPM's basic functions and ensure that the annual work program, Secretariat's activities, and financial investments are focused on achieving the IPPC's most important objectives. The working group is also charged to address the ICPM's role in technical assistance. This working group will meet again in October 2000 to finalize the strategic plan.

WG on Official Control: The purpose of this working group meeting, which met in March 2000, was to arrive at a more exact definition of what constitutes "officially controlled" in the IPPC's definition of "quarantine pest." Ambiguities in the current definition allows countries to impose phytosanitary measures on pests which may already exist within their territory, but are not under internal regulatory controls. This has raised concerns of the use unjustified or discriminatory treatments or requirements of foreign imports. The working group developed a clarified definition and set of guidelines to ensure a harmonized understanding and

application of the concept of "official control."

WG on Standards Committee: This working group, which will meet the week of April 10, 2000, will develop recommendations on the future structure and composition for the Standards Committee. The Standards Committee is currently called the Interim Standards Committee until some basic structural changes are adopted by the ICPM. The working group will consider a structure that is limited in size to ensure high productivity; emphasizes scientific expertise on the Committee rather than geographical representation; and, allows for adequate participation of experts from developing countries.

WG on Dispute Settlement: This working, will meet the week of May 9, 2000, to finalize rules and procedures for utilizing dispute settlement described in the IPPC. These procedures, contained in Article XIII of the Convention, are not legally binding. However, members agree that such provisions, if available, may help reduce and/or avoid formal, legalistic, and costly disputes in the World Trade Organization.

Interim Standards Committee: The Interim Standards Committee, scheduled to meet the week of May 15, 2000, will review and redraft, as appropriate, draft standards that will be considered for adoption in 2001. Among the drafts to be reviewed are standards on "Guidelines for Notification of Interceptions and Non-Compliance", "Guidelines for the Preparation of Regulated Pest Lists" and "Guidelines on Official Control". This Committee will meet again in November to possibly

finalize these draft standards -- and perhaps other standards that may be far enough advanced -- for submission to and adoption by the ICPM in April 2001.

WG on Wood Packing Material: Consensus was reached at the ICPM meeting in October 1999 in prioritizing the development of a standard on wood packing material. This issue was considered of high importance to all members which have experienced a growing increase in pest interceptions associated with packing materials. The working group, which will meet the week of June 6, 2000, will consider drafting a global standard based on the existing regional standard developed by the North American Plant Protection Organization (NAPPO).

WG on GMOs and Invasive Species: This working group will meet the week of June 13, 2000 to identify the phytosanitary aspects of GMOs and to consider the necessity of developing international phytosanitary standards in this area. The working group is charged to: develop a statement on the role of the IPPC in assessing plant pest risk of GMOs and the relationship between invasive species and plant quarantine pests (pests of primary concern under the IPPC); identify the roles and responsibilities of other relevant bodies and any potential overlaps with the role of the IPPC; consider the necessity of developing international standards under the IPPC; identify the need for capacity building in developing countries to fulfill their identified role under the IPPC; develop a draft communication strategy to promote and clarify the role of the IPPC in this area.

WG on Regulated Non-Quarantine

Pests: The new revised Convention broadened the scope of regulated pests to include regulated non-quarantine pests. These pests are defined as non-quarantine pests which are associated with propagative materials and which due to their economic impact are regulated. The working group, which will meet the week of June 26, 2000, will consider the development of a standard to guide the application of phytosanitary measures for this new category of pests.

WG on Systems Approaches for Pest Management: Given the eventual loss of methyl bromide as a quarantine tool, many countries are relying increasingly on new approaches for reducing pest risks and meeting foreign import requirements. Systems approaches have emerged as an increasingly popular way to certify commodities for export. A working group, which will meet the week of July 14, 2000, will consider the development of a standard to harmonize the approach used by countries in establishing systems approaches for export purposes.

WG on Pest Reporting: Under the IPPC, members have an obligation to report pest outbreaks or incidents that may be of potential danger to other members. This working group, which will meet the week of September 12, 2000, is expected to develop a standard format for such reporting between members.

Please direct any questions on phytosanitary standards activities, relative to the IPPC or North American Plant Protection Organization (NAPPO) to either:

John Greifer (email:

John.K.Greifer@USDA.Gov or

Narcy Klag (email:
Narcy.Klag@USDA.Gov).

April 2000

Monthly Calendar of Upcoming Events/Meetings

USDA Animal and Plant Health Inspection Service

DATE
EVENT
PURPOSE
WHERE
APHIS ATTENDEES

April 4 -7
IS Leadership Team Meeting
Mtg of executive board of IS to discuss future strategies for foreign service unit and make filed rotational decisions.
Greenbelt, MD
IS Management

April 5
Le Huy Ngo, Minister of Agriculture and Rural Development, Vietnam
To discuss bilateral issues
Washington, DC
Reed, OA

April 10 -13
NAPPO Working Group
Standards Committee
Rome, Italy
N. Gutierrez, IS

April 10 -13
APEC Animal Health Risk Assessment workshop
Melbourne, Australia
E. Hoffman, IS

C. Chioino, PPD

K. Forsythe, VS

April 11 -13

North American Animal Health Working
Group (Tripartite)

To discuss bilateral animal health issues

Oaxaca, MX

E. Quintero, IS

T. Boyle, IS

A. Perera, IS

April 17 -20

IS Region IV mtg

Vienna, Austria

C. Reed, OA

D. Sheesley, IS

E. Arena, IS

C. Schwalbe, PPQ

April 24 -28

XXVII Mtg of So. American

Commission for the Fight against FMD

Regional mtg to review FMD progress in
the hemispheric campaign and also

strategies to continue program advances

Buenos Aires, Argentina

P. Fernandez, IS

P. Hawkes, IS

J. Shaw, IS

T. Schissel, IS

May 4

Joe Walsh, Minister of Agriculture,

Food and Rural Development, Ireland

To discuss the current WTO Round and
the beef hormone dispute

Washington, DC

M. Dunn, MRP

May 6 -14

IPPC Working Group

Working group on dispute settlement.

Rome, Italy

J. Greifer, IS

May 15 -19

APEC Agricultural Technical

Cooperation Experts Group

Workshop on alternative quarantine
methods

Kona, Hawaii

R. Iwamoto, IS

C. Fedchok, IS

B. King, IS

OIE General Session

Paris

A. Torres, VS

T. Walton, VS

G. Colgrove, VS

A. Thiermann, IS

May 2000 (tentative)

APEC Agricultural technical

Cooperation Experts meeting

Discussion of issues affecting agriculture
in Asia/Pacific

Kona, Hawaii

APHIS personnel

May 31 -June 1

Vesicular Stomatitis Virus (VSV)

Conference

Forum to bring together experts in VSV
and discuss on -going and future projects
in control and eradication

Bogota, Colombia

J. Shaw, IS

June 5 -9

South America Region Meeting
Mtg of all SAR employees to discuss
technical and administrative
accomplishments and future action plans
Chile
IS, SAR employees

June 5 -7

Animal and Plant Health Industry Trade
Symposium
To educate industry on dispute
resolution process and foster closer
relationships between IS and U.S.
industry
Mexico
A. Cielo, IS

A. Thiermann, IS

E. Quintero, IS

T. Boyle, IS

P. Grosser, IS

A. Perera, IS

A. Ramos, IS

M. Reyes, IS

A. Santamaria, IS

K. Sliter, IS

June 13 -16

Working Group on Phytosanitary
Aspects of GMO's and Invasive species
Develop role of IPPC in assessing plant
pest risk of GMO's and the relationship
between invasive species and plant
quarantine pests
Rome, Italy

N. Klag, PPQ

S. McCammon, PPD

June 21 -22

WTO SPS

Committee

Implementation of SPS Agreements
Geneva

A. Thiermann, IS

J. Greifer, IS

July 10 -14

FAS/APHIS Global Attache Conference
Forum for interchange of activities in
FAS and APHIS and meet w/various
agricultural cooperators
Washington, DC
APHIS personnel

July 11 -14

Working Group on System Approach
working group on systems approach for
risk management
Australia
TBD

August 2000

Uruguay Citrus Review
Team to visit Uruguayan citrus
production areas for eventual rule for
possible U.S. entry
Montevideo, Uruguay
D. Wimmer, IS

August 2000

SAR Regional strategies meeting
To discuss advances and future
strategies to accomplish identified goals
TBD
All Regional FSO's

August 2000

21st International Congress of

Entomology

Annual meeting to discuss issues related to entomology especially pest of quarantine importance

Foz de Iguaçu, Brazil

Attendees TBD

August 2000

Pest Risk Analysis Workshop

To provide regional counterparts access to methods used by APHIS in PRA development

TBD

Attendees TBD

August 6 -11

International Symposium for Veterinary Epidemiology and Economics (ISVEE)

International mtg on animal health epidemiology and economics

Breckenridge, CO

P. Fernandez, IS

August 13 -16

National Plant Board Annual Meeting

Annual meeting of State Plant Health

representatives of U.S. with discussions on plant health issues

Wilmington, DE

Attendees TBD

September 11 -15

17th Pan -American Congress of

Veterinary Sciences

To discuss all issues related to veterinary sciences

Panama City, Panama

Attendees TBD

October 2000

NAPPO

24th Annual meeting

San Diego, CA

APHIS personnel